

Mille Lacs County Pandemic Economic Relief Fund Guidelines

The purpose of the Mille Lacs County Pandemic Economic Relief Fund is to provide temporary working capital support to eligible local small businesses adversely affected by the COVID-19 pandemic including any business interruption caused by a required closure by a State of Minnesota Emergency Executive Order in 2020.

The Applicant recognizes and agrees that Mille Lacs County retains absolute authority and discretion to decide whether to accept or deny any particular Grant Application, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the Grant Application are incurred by the Applicant at its sole risk and expense.

Eligibility Requirements

Eligible Businesses must meet all of the following criteria as of December 31, 2020 to be eligible for grant funds:

- Be able to demonstrate that the business was directly and adversely affected by a State of Minnesota Emergency Executive Order in 2020.
- Suffered a 10% or greater loss of Gross Revenue between April 1st – December 31st, 2020 as compared to April 1st – December 31st, 2019.
- Have a permanent physical commercial or industrial location in Mille Lacs County.
- Be registered, active and in good standing with the Minnesota Secretary of State's Office and not be debarred by the State of Minnesota.
- Applicants must demonstrate that they have no current tax liens on record with the Secretary of State at the time of application
- Employ the equivalent of 50 or fewer full-time employees.
- Be current on all taxes, bills, or charges due to the County at the time of application.

Ineligible businesses include the following (this is a non-exclusive list):

- Non-profit organizations;
- Government-owned or operated businesses;
- A business manufacturing, distributing, selling or conducting related activities of sexually explicit materials;
- A business that derives income from passive investments without operational ties to operating businesses or a business primarily focused on speculative activities that develop profits from fluctuations in price rather than the normal course of trade;
- A business that earns more than half of its annual net revenue from lending activities;
- A business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants;
- A business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted; and
- A business engaged in gambling enterprises, unless the business earns less than 50% of its annual net revenue from lottery sales;

Amount of Grant and Use of Grant Funds

Eligible businesses may receive a one-time grant of up to \$10,000 based on demonstrated need and for use on eligible expenses. The minimum grant amount is \$1,000.

Acceptable uses of the funds include, but are not limited to the following:

- Property Taxes
- Payroll
- Rent/Mortgage
- Utilities
- Insurance Costs
- Legal Fees
- Repairs to existing building and equipment

Funds cannot be used for direct expenses related to purchasing new business equipment or production, direct expenses related to crop or livestock production, machinery or vehicles purchases, moving expenses, or land acquisition costs.

All eligible businesses are encouraged to apply, but priority will be given to businesses who did not qualify or receive a COVID-19 Business Relief Payment from the Minnesota Department of Revenue.

Businesses with multiple locations in the State of Minnesota must use grant funds awarded by Mille Lacs County for business expenses for the location(s) within Mille Lacs County.

The County will determine, in its discretion, the appropriate amount of a grant and the eligible costs and expenses for each eligible business.

Application Process

- Applicants must submit a digital application form and supporting documentation via the web available here: <https://www.millelacs.mn.gov/2699/Economic-Relief-Grant-Program>
- Applications will be accepted starting January 6th until **5:00 PM on January 29th, 2021**.
- Applicants should include the following information:
 - Basic details about the business and individual completing the application;
 - Narrative descriptions and estimated calculations of the negative impacts on the business or individual due to a State of Minnesota Emergency Executive Order;
 - Information on the intended use of the grant funds;
 - 2019 Federal Business Tax Return or appropriate Business Tax Schedule, or substitute documentation of revenue if 2019 Return is not yet completed;
 - Evidence of revenue loss related to a State of Minnesota Emergency Executive Order in the form of a Business Profit & Loss statement for the period of April 1st – December 31st, 2019 & April 1st – December 31st, 2020;
 - Current mortgage statement, if applicable, showing the monthly payment amount, principal balance, and any applicable interest rate;
 - Current lease agreement, if applicable, showing the term and monthly payment. If a business is currently on a month-to-month lease, the applicant must submit documentation from their landlord verifying that the business currently rents the commercial/industrial space and the monthly rent due at the time of application;
 - Certification that no foreclosure or tax forfeiture proceedings have been initiated regarding the property;
 - The number of Full-Time Employees at the time of application;
 - The year the business began operating in Mille Lacs County;
 - The businesses North American Industry Classification System (NAICS) code (4 digit);
 - A copy of the businesses registration with the Minnesota Secretary of State's Office and verification that the business is active and in good standing with the Minnesota Secretary of State's Office at the time of application;
 - Any additional documentation or information deemed necessary by County Administration to determine eligibility, generate grant documents, disburse grant proceeds, or meet program-reporting requirements.
- Businesses may look-up their North American Industry Classification System (NAICS) code (4 digit) by visiting: [NAICS Search \(census.gov\)](https://www.census.gov/naics/)
- Business may look-up their registration and status with the Minnesota Secretary of State's Office by visiting: [Search Business Filings \(state.mn.us\)](https://www.state.mn.us/search-business-filings/)
- The failure to submit all required documentation at the time of application may result in forfeiture of grant award consideration.

- Any requested follow-up information or documentation must be provided within 3 business days from the day of the request.
- All grant recipients are considered sub-recipients of Federal pass-through funds. There are certain information collecting requirements that must be met by pass through entities awarding grants. *See* 2 USC § 200.331. In circumstances where this information is not available, the “best information available to describe the Federal award and subaward” is required. *Id.*

Reporting

Business owners receiving grant funds must sign an agreement form acknowledging that the business will use the grant funds only for eligible costs and expenses not already covered by other Federal, State or Local funds and agreeing to provide a report to the County on the use of the grant funds within 60 days of receiving grant funds and permitting Mille Lacs County to have access to the business’s records and financial statements as necessary for Mille Lacs County to meet its reporting requirements to the state and Federal governments. The County may require business owners to provide proof that grant funds were used only for eligible costs and expenses. Upon the satisfactory provision of this report and any requested proof provided to Mille Lacs County, the grant process will be complete.

Pursuant to Minnesota law, any funds improperly spent may be recouped by the state and federal government from Mille Lacs County as a pass-through entity. Accordingly, any funds improperly spent by a sub-recipient may also be recouped by Mille Lacs County within 60 days of the Minnesota Commissioner of Revenue certifying that amount must be repaid by Mille Lacs County.